

TRUST DEED

THIS TRUST DEED, made this 14th day of September 19 88, between Glenn R. Lockwood and Joanne L. Lockwood, Husband and Wife, as grantor, William Sisemore, as trustee, and Klamath First Federal Savings and Loan Association, a corporation organized and existing under the laws of the United States, as beneficiary.

The grantor irrevocably grants, bargains, sells and conveys to the trustee, in trust, with power of sale, the property in Klamath County, Oregon, described as:

Lots 2 and 3, Block 44, First Addition to Klamath Falls, in the County of Klamath, State of Oregon.

Tax Acct. #3809-32AB 9900 Key No. 412011  
Tax Acct. #3809-32AB 10000 Key No. 412002

Grantor's performance under this trust deed and the note it secures may not be assigned to or be assumed by another party. In the event of an attempted assignment or assumption, the entire unpaid balance shall become immediately due and payable, which said described real property is not currently used for agricultural, timber or grazing purposes,

together with all and singular the appurtenances, tenements, hereditaments, rents, issues, profits, water rights, easements or privileges now or hereafter belonging to, derived from, or in anywise appertaining to the above described premises, and all plumbing, lighting, heating, venting, air-conditioning, refrigerating, watering and irrigation apparatus, equipment and fixtures, together with all awnings, venetian blinds, floor covering in place such as wall-to-wall carpeting and linoleum, shades and built-in appliances now or hereafter installed in or used in connection with the above described premises, including all interest therein which the grantor has or may hereafter acquire, for the purpose of securing (\$4,500.00) Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to the beneficiary or order and made by the grantor, principal and interest being payable in monthly installments of \$53.29 commencing October 15, 19 89.

This trust deed shall further secure the payment of such additional money, if any, as may be loaned hereafter by the beneficiary to the grantor or others having an interest in the above described property, as may be evidenced by a note or notes, the indebtedness secured by this trust deed is evidenced by any of said notes or part of any payment on one note and part on another, as the beneficiary may elect.

The grantor hereby covenants to and with the trustee and the beneficiary herein that the said premises and property conveyed by this trust deed are free and clear of all encumbrances and that the grantor will and his heirs, executors and administrators shall warrant and defend his said title thereto against the claims of all persons whomsoever.

The grantor covenants and agrees to pay said note according to the terms thereof and, when due, all taxes, assessments and other charges levied against said property; to keep said property free from all encumbrances having precedence over this trust deed; to complete all buildings in course of construction hereof or the date construction is hereafter commenced; to repair and restore said property which may be damaged or destroyed any pay, when due, all costs incurred therefor; to allow beneficiary to inspect said property at all times during construction; to replace any work or materials unsatisfactory to fact; not to remove or destroy any building or improvements now or hereafter constructed on said premises; to keep all buildings and improvements now or hereafter erected upon said property in good repair and to commit or suffer now or hereafter erected on said premises continuously insured against loss by fire or such other hazards as the beneficiary may from time to time require in a sum not less than the original principal sum of the note or obligation secured by this trust deed, in a company or companies acceptable to the beneficiary, and to deliver the original policy of insurance in correct form and with approved loss payable clause in favor of the beneficiary attached and with premium paid to the principal place of business of the beneficiary at least fifteen days prior to the effective date of any such policy of insurance. If said policy of insurance is not so tendered, the beneficiary may in its own discretion obtain insurance for the benefit of the beneficiary, which insurance shall be non-cancelable by the grantor during the full term of the policy thus obtained.

In order to provide regularly for the prompt payment of said taxes, assessments or other charges and insurance premiums, the grantor agrees to pay to principal and interest payable under the terms of the note or obligation secured hereby, an amount equal to one-twelfth (1/12th) of the taxes, assessments and other charges due and payable with respect to said property within each succeeding twelve months, and also one-thirty-sixth (1/36th) of the insurance premiums this trust deed remains in effect, as estimated and directed by the beneficiary, such sums to be credited to the principal of the loan until required for the several purposes thereof and shall thereupon be charged to the principal of the loan; or, as the option of the beneficiary, the sums so paid shall be held by the beneficiary in trust as a reserve account, without interest, to pay said premiums, taxes, assessments or other charges when they shall become due and payable.

While the grantor is to pay any and all taxes, assessments and other charges levied or assessed against said property, or any part thereof, the same begin to bear interest and also to pay premiums on all insurance policies upon said property, such payments are to be made through the beneficiary, as aforesaid. The grantor hereby authorizes the beneficiary to pay said property the amounts as shown by the statements thereof furnished by the collector of such taxes, assessments or other charges, and to the insurance carriers or their representatives shown on the statements submitted by principal of the loan or to withdraw the sums which may be required from the reserve account, if any, established for that purpose. The grantor agrees in no event to hold the beneficiary responsible for failure to have any insurance policy, and the beneficiary hereby is authorized, in the event of any loss, to compromise and settle with any insurance company and to apply any such insurance receipts upon the obligations secured by this trust deed. In computing the amount of the indebtedness for payment and satisfaction in full or upon sale or other acquisition of the property by the beneficiary after

default, any balance remaining in the reserve account shall be credited to the indebtedness. If the reserve account for taxes, assessments, insurance premiums and other charges is not sufficient at any time for the payment of such charges as they become due, the grantor shall pay the deficit to the beneficiary upon demand, and if not paid within ten days after such demand, the beneficiary may add the amount of such deficit to the principal of the obligation secured hereby.

Should the grantor fail to keep any of the foregoing covenants, then the beneficiary may at its option carry out the same, and all its expenditures therefor shall draw interest at the rate specified in the note, shall be repayable by the grantor on demand and shall be secured by the lien of this trust deed. In this connection, the beneficiary shall have the right in its discretion to complete any improvements made on said premises and also to make such repairs to said property as in its sole discretion it may deem necessary, or advisable.

The grantor further agrees to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; to pay all costs, fees and expenses of this trust, including the cost of title search, as well as in enforcing this obligation, and trustee's and attorney's fees actually incurred; to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the beneficiary or trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum to be fixed by the court, in any such action or proceeding in which the beneficiary or trustee may appear and in any suit brought by beneficiary to foreclose this deed, and all said sums shall be secured by this trust deed.

The beneficiary will furnish to the grantor on written request therefor an annual statement of account but shall not be obligated or required to furnish any further statements of account.

It is mutually agreed that:

1. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, the beneficiary shall have the right to commence, prosecute in its own name, appear in or defend any action or proceedings, or to make any compromise or settlement in connection with such taking and, if it so elects, to require that all or any portion of the money so paid as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by the grantor in such proceedings, shall be paid to the beneficiary and applied by it first upon any reasonable costs and expenses and attorney's fees necessarily paid or incurred by the beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and the grantor agrees, be necessary in obtaining such compensation, promptly upon the beneficiary's request.

2. At any time and from time to time upon written request of the beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyance, for cancellation), without affecting the liability of any person for the payment of the indebtedness, the trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating and restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge hereof; (d) reconvey without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto" and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services in this paragraph shall be not less than \$5.00.

3. As additional security, grantor hereby assigns to beneficiary during the continuance of these trusts all rents, issues, royalties and profits of the property affected by this deed and of any personal property located thereon. Until the grantor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, grantor shall have the right to collect all such rents, issues, royalties and profits earned prior to default as they become due and payable. Upon any default by the grantor hereunder, the beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of any said property, or any part thereof, in its own name sue for or otherwise collect the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as the beneficiary may determine.

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5. The grantor shall notify beneficiary in writing of any sale or contract for sale of the above described property and furnish beneficiary on a form supplied it with such personal information concerning the purchaser as would ordinarily be required of a new loan applicant and shall pay beneficiary a service charge.

and ordinarily be required to pay a service charge.

6. Time is of the essence of this instrument and upon default by the grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, the beneficiary may declare all amounts secured hereby immediately due and payable by delivery to the trustee of written notice of default and election to sell the trust property, which notice trustee shall cause to be duly filed for record. Upon receipt of said notice of default and election to sell, the beneficiary shall comply with the trustee this trust deed and all promissory notes and documents evidencing expenditures secured hereby, whereupon the trustee shall fix the time and place of sale and give notice thereof as then required by law.

IN WITNESS WHEREOF, the Trustor has hereunto set her hand and the Trustee for the Trustor's sale

7. After default and any time prior to five days before the date set by the Trustee for the Trustee's sale, the grantor or other person so privileged may pay the entire amount then due under this trust deed and the obligations secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and attorney's fees not exceeding the amount provided by law) other than such portion of the principal as would not then be due had no default occurred and thereby cure the default.

8. After the lapse of such time as may then be required by law following the recording of notice of default and giving of said notice of sale, the trustee shall sell said property at the time and place by him in said notice of sale, either as a whole or in severalty and in such order as he may determine, to the highest bidder for cash, in lawful tender of the United States, at public auction, and the time and place of such sale, of all or any portion, of said property by public announcement, may postpone the sale by public announcement, and from time to time thereafter may postpone the sale by public announcement.

[illegible][illegible]

10. For any reason permitted by law, the beneficiary may from time to time appoint a successor or successors to any trustee named herein, and without consent of the trustee, the beneficiary may from time to time appoint a successor trustee. Upon such appointment with all title, powers and authority conferred upon any trustee herein named or appointed hereunder. Each appointment conferred upon any trustee herein named or appointed hereunder by the beneficiary, containing reference to this trust deed and its place of record, which is made and recorded in the office of the county clerk of the county of the county, which is made and recorded in the office of the county clerk of the county of the county, shall be conclusive proof of the appointment of the successor trustee.

11. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record, as provided by law. The trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which the grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by the trustee.

12. This deed applies to, inures to the benefit of, and binds all parties to, whether or not named herein, including devisees, administrators, executors, successors and assigns. The term "beneficiary" shall mean the holder and owner, including assigns, of the note secured hereby, whether or not named as a beneficiary herein. In construing this deed and whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

get his hand and seal the day and year first above written.

set his hand and seal the day and year.

*Glenn R. Lockwood* (SEAL)  
Glenn R. Lockwood

Glenn R. Lockwood  
 Joanne L. Lockwood (SEAL)

September 19, 1988, before me, the undersigned,

and who executed the foregoing instrument and acknowledged to me

and purposes therein expressed.

I, John J. [illegible], Notary Public in and for the State of New York, do hereby certify that the foregoing is a true and correct copy of the original as the same appears from the records of my office.

In witness whereof, I have hereunto set my hand and the seal of my office, at the City of New York, this 10th day of April, 1911.

John J. [illegible], Notary Public.

affixed my notarial seal the day and year last above written.

Notary Public for Oregon  
7-1-90

My commission expires 1-6-72

Loan No. 39-01360

**TRUST DEED**

Glenn R. Lockwood  
Joanne L. Lockwood

TO  
Klamath First Federal Savings  
and Loan Association

Beneficiary

After Recording Return To:  
Klamath First Federal Savings  
and Loan Association  
P. O. Box 5270  
Klamath Falls, OR 97601

STATE OF OREGON } SS.  
County of Klamath }

I certify that the within instrument  
was received for record on the 20th  
day of Sept., 1988,  
at 10:10 o'clock AM, and recorded  
in book 688 on page 15515  
Record of Mortgages of said County.

Witness my hand and seal of County  
affixed.

Evelyn Biehn  
County Clerk

By Audelia Neelander  
Deputy

Fee \$13.00

Klamath Federal Savings & Loan Association, Beneficiaries  
 REQUEST FOR FULL RECONVEYANCE  
 To be used only when obligations have been paid.  
 TO: William Sisemore, Trustee  
 The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of said trust deed pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with a trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under same.  
 Klamath First Federal Savings & Loan Association, Beneficiaries  
 DATED: \_\_\_\_\_ 19\_\_\_\_  
 by \_\_\_\_\_  
 13.00